

1 AN ACT relating to the retirement and reemployment of certified peace officers and
2 other hazardous duty positions in state and local government.

3 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

4 ➔Section 1. KRS 61.637 is amended to read as follows:

5 (1) A retired member who is receiving monthly retirement payments under any of the
6 provisions of KRS 61.510 to 61.705 and 78.510 to 78.852 and who is reemployed
7 as an employee by a participating agency prior to August 1, 1998, shall have his
8 retirement payments suspended for the duration of reemployment. Monthly
9 payments shall not be suspended for a retired member who is reemployed if he
10 anticipates that he will receive less than the maximum permissible earnings as
11 provided by the Federal Social Security Act in compensation as a result of
12 reemployment during the calendar year. The payments shall be suspended at the
13 beginning of the month in which the reemployment occurs.

14 (2) Employer and employee contributions shall be made as provided in KRS 61.510 to
15 61.705 and 78.510 to 78.852 on the compensation paid during reemployment,
16 except where monthly payments were not suspended as provided in subsection (1)
17 of this section or would not increase the retired member's last monthly retirement
18 allowance by at least one dollar (\$1), and the member shall be credited with
19 additional service credit.

20 (3) In the month following the termination of reemployment, retirement allowance
21 payments shall be reinstated under the plan under which the member was receiving
22 payments prior to reemployment.

23 (4) (a) Notwithstanding the provisions of this section, the payments suspended in
24 accordance with subsection (1) of this section shall be paid retroactively to the
25 retired member, or his estate, if he does not receive more than the maximum
26 permissible earnings as provided by the Federal Social Security Act in
27 compensation from participating agencies during any calendar year of

1 reemployment.

2 (b) If the retired member is paid suspended payments retroactively in accordance
3 with this section, employee contributions deducted during his period of
4 reemployment, if any, shall be refunded to the retired employee, and no
5 service credit shall be earned for the period of reemployment.

6 (c) If the retired member is not eligible to be paid suspended payments for his
7 period of reemployment as an employee, his retirement allowance shall be
8 recomputed under the plan under which the member was receiving payments
9 prior to reemployment as follows:

10 1. The retired member's final compensation shall be recomputed using
11 creditable compensation for his period of reemployment; however, the
12 final compensation resulting from the recalculation shall not be less than
13 that of the member when his retirement allowance was last determined;

14 2. If the retired member initially retired on or subsequent to his normal
15 retirement date, his retirement allowance shall be recomputed by using
16 the formula in KRS 61.595(1);

17 3. If the retired member initially retired prior to his normal retirement date,
18 his retirement allowance shall be recomputed using the formula in KRS
19 61.595(2), except that the member's age used in computing benefits shall
20 be his age at the time of his initial retirement increased by the number of
21 months of service credit earned for service performed during
22 reemployment;

23 4. The retirement allowance payments resulting from the recomputation
24 under this subsection shall be payable in the month following the
25 termination of reemployment in lieu of payments under subparagraph 3.
26 The member shall not receive less in benefits as a result of the
27 recomputation than he was receiving prior to reemployment or would

1 receive as determined under KRS 61.691; and

2 5. Any retired member who was reemployed prior to March 26, 1974, shall
3 begin making contributions to the system in accordance with the
4 provisions of this section on the first day of the month following March
5 26, 1974.

6 (5) A retired member, or his estate, shall pay to the retirement fund the total amount of
7 payments which are not suspended in accordance with subsection (1) of this section
8 if the member received more than the maximum permissible earnings as provided
9 by the Federal Social Security Act in compensation from participating agencies
10 during any calendar year of reemployment, except the retired member or his estate
11 may repay the lesser of the total amount of payments which were not suspended or
12 fifty cents (\$0.50) of each dollar earned over the maximum permissible earnings
13 during reemployment if under age sixty-five (65), or one dollar (\$1) for every three
14 dollars (\$3) earned if over age sixty-five (65).

15 (6) (a) "Reemployment" or "reinstatement" as used in this section shall not include a
16 retired member who has been ordered reinstated by the Personnel Board under
17 authority of KRS 18A.095.

18 (b) A retired member who has been ordered reinstated by the Personnel Board
19 under authority of KRS 18A.095 or by court order or by order of the Human
20 Rights Commission and accepts employment by an agency participating in the
21 Kentucky Employees Retirement System or County Employees Retirement
22 System shall void his retirement by reimbursing the system in the full amount
23 of his retirement allowance payments received.

24 (7) (a) Effective August 1, 1998, the provisions of subsections (1) to (4) of this
25 section shall no longer apply to a retired member who is reemployed in a
26 position covered by the same retirement system from which the member
27 retired. Reemployed retired members shall be treated as new members upon

1 reemployment. Any retired member whose reemployment date preceded
2 August 1, 1998, who does not elect, within sixty (60) days of notification by
3 the retirement systems, to remain under the provisions of subsections (1) to
4 (4) of this section shall be deemed to have elected to participate under this
5 subsection.

6 (b) A retired member whose disability retirement was discontinued pursuant to
7 KRS 61.615 and who is reemployed in one (1) of the systems administered by
8 the Kentucky Retirement Systems prior to his or her normal retirement date
9 shall have his or her accounts combined upon termination for determining
10 eligibility for benefits. If the member is eligible for retirement, the member's
11 service and creditable compensation earned as a result of his or her
12 reemployment shall be used in the calculation of benefits, except that the
13 member's final compensation shall not be less than the final compensation last
14 used in determining his or her retirement allowance. The member shall not
15 change beneficiary or payment option designations. This provision shall apply
16 to members reemployed on or after August 1, 1998.

17 (8) A retired member or his or her employer shall notify the retirement system if he or
18 she has accepted employment or is serving as a volunteer with an employer that
19 participates in the retirement system from which the member retired. The ~~retired~~
20 ~~member and the~~ participating employer shall submit the information required or
21 requested by the systems on a form prescribed by the systems to confirm the
22 individual's employment or volunteer status. If the reemployment occurs at least
23 six (6) months after the member's most recent retirement date, he or she shall be
24 deemed by the system to have no prearranged agreement and a form shall not be
25 necessary under this subsection.

26 (9) If the retired member is under a contract with an employer that participates in the
27 retirement system from which the member retired, the participating employer

1 ~~member~~] shall submit a copy of that contract to the retirement system, and the
2 retirement system shall determine if the member is an independent contractor for
3 purposes of retirement benefits. The~~[retired member and the]~~ participating
4 employer shall submit the information required or requested by the systems on a
5 form prescribed by the systems to confirm the individual's ~~[employment or~~
6 ~~volunteer]~~ status as a contractor. If the contract occurs at least six (6) months
7 after the member's most recent retirement date, he or she shall be deemed by the
8 system to have no prearranged agreement and a form shall not be necessary
9 under this subsection.

10 (10) If a member is receiving a retirement allowance, or has filed the forms required for
11 a retirement allowance, and is employed within one (1) month of the member's
12 initial retirement date in a position that is required to participate in the same
13 retirement system from which the member retired, the member's retirement shall be
14 voided and the member shall repay to the retirement system all benefits received.
15 The member shall contribute to the member account established for him prior to his
16 voided retirement. The retirement allowance for which the member shall be eligible
17 upon retirement shall be determined by total service and creditable compensation.

18 (11) (a) If a member of the Kentucky Employees Retirement System retires from a
19 department which participates in more than one (1) retirement system and is
20 reemployed within one (1) month of his initial retirement date by the same
21 department in a position participating in another retirement system, the retired
22 member's retirement allowance shall be suspended for the first month of his
23 retirement and the member shall repay to the retirement system all benefits
24 received for the month.

25 (b) A retired member of the County Employees Retirement System who after
26 initial retirement is hired by the county from which the member retired shall
27 be considered to have been hired by the same employer.

- 1 (12) (a) If a hazardous member who retired prior to age fifty-five (55), or a
2 nonhazardous member who retired prior to age sixty-five (65), is reemployed
3 within six (6) months of the member's termination by the same employer, the
4 member shall obtain from his previous and current employers a copy of the
5 job description established by the employers for the position and a statement
6 of the duties performed by the member for the position from which he retired
7 and for the position in which he has been reemployed.
- 8 (b) The job descriptions and statements of duties shall be filed with the retirement
9 office.
- 10 (13) If the retirement system determines that the retired member has been employed in a
11 position with the same principal duties as the position from which the member
12 retired:
- 13 (a) The member's retirement allowance shall be suspended during the period that
14 begins on the month in which the member is reemployed and ends six (6)
15 months after the member's termination;
- 16 (b) The retired member shall repay to the retirement system all benefits paid from
17 systems administered by Kentucky Retirement Systems under reciprocity,
18 including medical insurance benefits, that the member received after
19 reemployment began;
- 20 (c) Upon termination, or subsequent to expiration of the six (6) month period
21 from the date of termination, the retired member's retirement allowance based
22 on his initial retirement account shall no longer be suspended and the member
23 shall receive the amount to which he is entitled, including an increase as
24 provided by KRS 61.691;
- 25 (d) Except as provided in subsection (7) of this section, if the position in which a
26 retired member is employed after initial retirement is a regular full-time
27 position, the retired member shall contribute to a second member account

1 established for him in the retirement system. Service credit gained after the
2 member's date of reemployment shall be credited to the second member
3 account; and

4 (e) Upon termination, the retired member shall be entitled to benefits payable
5 from his second retirement account.

6 (14) (a) If the retirement system determines that the retired member has not been
7 reemployed in a position with the same principal duties as the position from
8 which he retired, the retired member shall continue to receive his retirement
9 allowance.

10 (b) If the position is a regular full-time position, the member shall contribute to a
11 second member account in the retirement system.

12 (15) (a) If a retired member is reemployed at least one (1) month after initial
13 retirement in a different position, or at least six (6) months after initial
14 retirement in the same position, and prior to normal retirement age, the retired
15 member shall contribute to a second member account in the retirement system
16 and continue to receive a retirement allowance from the first member account.

17 (b) Service credit gained after reemployment shall be credited to the second
18 member account. Upon termination, the retired member shall be entitled to
19 benefits payable from the second member account.

20 (16) A retired member who is reemployed and contributing to a second member account
21 shall not be eligible to purchase service credit under any of the provisions of KRS
22 16.505 to 16.652, 61.510 to 61.705, or 78.510 to 78.852 which he was eligible to
23 purchase prior to his initial retirement.

24 (17) Notwithstanding any provision of subsections (1) to (7)(a) and (10) to (15) of this
25 section, the following shall apply to retired members who are reemployed by an
26 agency participating in one (1) of the systems administered by Kentucky Retirement
27 Systems on or after September 1, 2008:

1 (a) Except as provided by paragraphs (c) and (d) of this subsection, if a member is
2 receiving a retirement allowance from one (1) of the systems administered by
3 Kentucky Retirement Systems, or has filed the forms required to receive a
4 retirement allowance from one (1) of the systems administered by Kentucky
5 Retirement Systems, and is employed in a regular full-time position required
6 to participate in one (1) of the systems administered by Kentucky Retirement
7 Systems or is employed in a position that is not considered regular full-time
8 with an agency participating in one (1) of the systems administered by
9 Kentucky Retirement Systems within three (3) months following the member's
10 initial retirement date, the member's retirement shall be voided, and the
11 member shall repay to the retirement system all benefits received, including
12 any health insurance benefits. If the member is returning to work in a regular
13 full-time position required to participate in one (1) of the systems
14 administered by Kentucky Retirement Systems:

- 15 1. The member shall contribute to a member account established for him or
16 her in one (1) of the systems administered by Kentucky Retirement
17 Systems, and employer contributions shall be paid on behalf of the
18 member by the participating employer; and
- 19 2. Upon subsequent retirement, the member shall be eligible for a
20 retirement allowance based upon total service and creditable
21 compensation, including any additional service or creditable
22 compensation earned after his or her initial retirement was voided;

23 (b) Except as provided by paragraphs (c) and (d) of this subsection, if a member is
24 receiving a retirement allowance from one (1) of the systems administered by
25 Kentucky Retirement Systems and is employed in a regular full-time position
26 required to participate in one (1) of the systems administered by Kentucky
27 Retirement Systems after a three (3) month period following the member's

1 initial retirement date, the member may continue to receive his or her
2 retirement allowance during the period of reemployment subject to the
3 following provisions:

- 4 1. Both the employee and participating agency shall certify in writing on a
5 form prescribed by the board that no prearranged agreement existed
6 between the employee and agency prior to the employee's retirement for
7 the employee to return to work with the participating agency. If an
8 elected official is reelected to a new term of office in the same position
9 and retires following the election but prior to taking the new term of
10 office, he or she shall be deemed by the system as having a prearranged
11 agreement under the provisions of this subparagraph and shall have his
12 or her retirement voided. If the participating agency or employer fail to
13 complete the certification, the member's retirement shall be voided and
14 the provisions of paragraph (a) of this subsection shall apply to the
15 member and the employer;
- 16 2. Notwithstanding any other provision of KRS Chapter 16, 61, or 78 to
17 the contrary, the member shall not contribute to the systems and shall
18 not earn any additional benefits for any work performed during the
19 period of reemployment;
- 20 3. Except as provided by KRS 70.291 to 70.293 and 95.022, the employer
21 shall pay employer contributions as specified by KRS 61.565 and 61.702
22 on all creditable compensation earned by the employee during the period
23 of reemployment. The additional contributions paid shall be used to
24 reduce the unfunded actuarial liability of the systems; and
- 25 4. Except as provided by KRS 70.291 to 70.293 and 95.022, the employer
26 shall be required to reimburse the systems for the cost of the health
27 insurance premium paid by the systems to provide coverage for the

1 retiree, not to exceed the cost of the single premium. Effective July 1,
 2 2015, local school boards shall not be required to pay the reimbursement
 3 required by this subparagraph for retirees employed by the board for
 4 eighty (80) days or less during the fiscal year;

5 (c) If a member is receiving or has filed the forms required to receive a
 6 retirement allowance from the State Police Retirement System or from
 7 ~~hazardous duty retirement coverage with~~ the Kentucky Employees
 8 Retirement System or the County Employees Retirement System for
 9 retirement from a hazardous duty position or a position as a certified peace
 10 officer as defined in KRS 15.310, ~~or has filed the forms required to receive a~~
 11 ~~retirement allowance from the State Police Retirement System or from~~
 12 ~~hazardous duty retirement coverage with the Kentucky Employees Retirement~~
 13 ~~System or the County Employees Retirement System,~~ and is employed in a
 14 regular full-time position required to participate in the State Police Retirement
 15 System or in a hazardous duty position or in a position as a certified peace
 16 officer as defined in KRS 15.310 with the Kentucky Employees Retirement
 17 System or the County Employees Retirement System within one (1) month
 18 following the member's initial retirement date, the member's retirement shall
 19 be voided, and the member shall repay to the retirement system all benefits
 20 received, including any health insurance benefits. If the member is returning
 21 to work in a regular full-time position required to participate in one (1) of the
 22 systems administered by Kentucky Retirement Systems:

- 23 1. The member shall contribute to a member account established for him or
 24 her in one (1) of the systems administered by Kentucky Retirement
 25 Systems, and employer contributions shall be paid on behalf of the
 26 member by the participating employer; and
- 27 2. Upon subsequent retirement, the member shall be eligible for a

1 retirement allowance based upon total service and creditable
2 compensation, including any additional service or creditable
3 compensation earned after his or her initial retirement was voided;

4 (d) If a member is receiving or has filed the forms required to receive a
5 retirement allowance from the State Police Retirement System or from
6 ~~hazardous duty retirement coverage with~~ the Kentucky Employees
7 Retirement System or the County Employees Retirement System for
8 retirement from a hazardous duty position or a position as a certified peace
9 officer as defined in KRS 15.310 and is employed in a regular full-time
10 position required to participate in the State Police Retirement System or in a
11 hazardous duty position or in a position as a certified peace officer as
12 defined in KRS 15.310 with the Kentucky Employees Retirement System or
13 the County Employees Retirement System after a one (1) month period
14 following the member's initial retirement date, the member may continue to
15 receive his or her retirement allowance during the period of reemployment
16 subject to the following provisions:

17 1. ~~Both the employee and~~ The participating agency shall certify in writing
18 on a form prescribed by the board that no prearranged agreement existed
19 between the employee and agency prior to the employee's retirement for
20 the employee to return to work with the participating agency. If the
21 reemployment occurs at least six (6) months after the member's most
22 recent retirement date, he or she shall be deemed by the system to have
23 no prearranged agreement and a form shall not be necessary under
24 this subparagraph. If an elected official is reelected to a new term of
25 office in the same position and retires following the election but prior to
26 taking the new term of office, he or she shall be deemed by the system as
27 having a prearranged agreement under the provisions of this

- 1 subparagraph and shall have his or her retirement voided. If the
2 participating agency or employer fail to complete the certification, *if*
3 *required under this subparagraph*, the member's retirement shall be
4 voided and the provisions of paragraph (c) of this subsection shall apply
5 to the member and the employer;
- 6 2. Notwithstanding any other provision of KRS Chapter 16, 61, or 78 to
7 the contrary, the member shall not contribute to the systems and shall
8 not earn any additional benefits for any work performed during the
9 period of reemployment;
- 10 3. Except as provided by KRS 70.291 to 70.293 and 95.022, the employer
11 shall pay employer contributions as specified by KRS 61.565 and 61.702
12 on all creditable compensation earned by the employee during the period
13 of reemployment. The additional contributions paid shall be used to
14 reduce the unfunded actuarial liability of the systems; and
- 15 4. Except as provided by KRS 70.291 to 70.293 and 95.022, the employer
16 shall be required to reimburse the systems for the cost of the health
17 insurance premium paid by the systems to provide coverage for the
18 retiree, not to exceed the cost of the single premium;
- 19 (e) Notwithstanding paragraphs (a) to (d) of this subsection, a retired member
20 who qualifies as a volunteer for an employer participating in one (1) of the
21 systems administered by Kentucky Retirement Systems and who is receiving
22 reimbursement of actual expenses, a nominal fee for his or her volunteer
23 services, or both, shall not be considered an employee of the participating
24 employer and shall not be subject to paragraphs (a) to (d) of this subsection if:
- 25 1. Prior to the retired member's most recent retirement date, he or she did
26 not receive creditable compensation from the participating employer in
27 which the retired member is performing volunteer services;

- 1 2. Any reimbursement or nominal fee received prior to the retired
2 member's most recent retirement date has not been credited as creditable
3 compensation to the member's account or utilized in the calculation of
4 the retired member's benefits;
- 5 3. The retired member has not purchased or received service credit under
6 any of the provisions of KRS 61.510 to 61.705 or 78.510 to 78.852 for
7 service with the participating employer for which the retired member is
8 performing volunteer services; and
- 9 4. Other than the status of volunteer, the retired member does not become
10 an employee, leased employee, or independent contractor of the
11 employer for which he or she is performing volunteer services for ~~a~~
12 ~~period of~~ at least twenty-four (24) months following the retired
13 member's most recent retirement date.

14 If a retired member, who provided volunteer services with a participating
15 employer under this paragraph violates any provision of this paragraph, then
16 he or she shall be deemed an employee of the participating employer as of the
17 date he or she began providing volunteer services and both the retired member
18 and the participating employer shall be subject to paragraphs (a) to (d) of this
19 subsection for the period of volunteer service; and

20 (f) Notwithstanding any provision of this section, any mayor or member of a city
21 legislative body who has not participated in the County Employees Retirement
22 System prior to retirement, but who is otherwise eligible to retire from the
23 Kentucky Employees Retirement System or the State Police Retirement
24 System, shall not be:

- 25 1. Required to resign from his or her position as mayor or as a member of
26 the city legislative body in order to begin drawing benefits from the
27 Kentucky Employees Retirement System or the State Police Retirement

1 System; or

2 2. Subject to any provision of this section as it relates solely to his or her
3 service as a mayor or member of the city legislative body.

4 ➔Section 2. KRS 70.292 is amended to read as follows:

5 (1) A county sheriff's office in the Commonwealth of Kentucky may employ police
6 officers who have retired under the State Police Retirement System, Kentucky
7 Employees Retirement System, or the County Employees Retirement System as
8 provided by KRS 70.291 to 70.293.

9 (2) An individual employed under KRS 70.291 to 70.293 shall have:

10 (a) 1. Participated in the Law Enforcement Foundation Program fund under
11 KRS 15.410 to 15.515; or

12 2. Retired as a commissioned officer pursuant to KRS Chapter 16;

13 (b) Retired with at least twenty (20) years of service credit;

14 (c) Been separated from service for the period required by KRS 61.637 so that the
15 member's retirement is not voided;

16 (d) Retired with no administrative charges pending; and

17 (e) Retired with no prearranged~~[pre-existing]~~ agreement between the individual
18 and the sheriff's office as provided in subsection (17) of Section 1 of this
19 Act~~[prior to the individual's retirement for the individual to return to work for~~
20 ~~the sheriff's office].~~